



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

A new Proactive approach by the City of Cape Town's Electricity Revenue Protection Branch

Electricity Generation and Distribution: Greg Stopford -
Head Revenue Protection

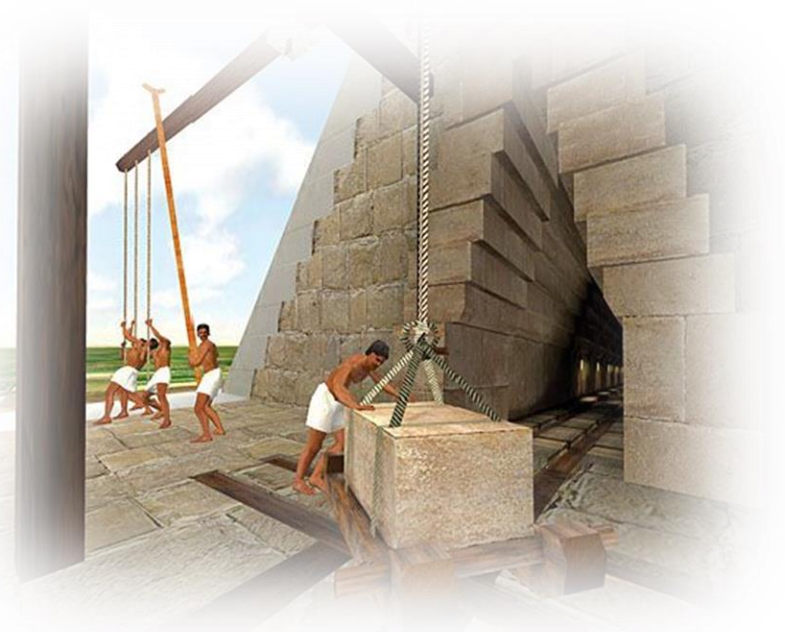
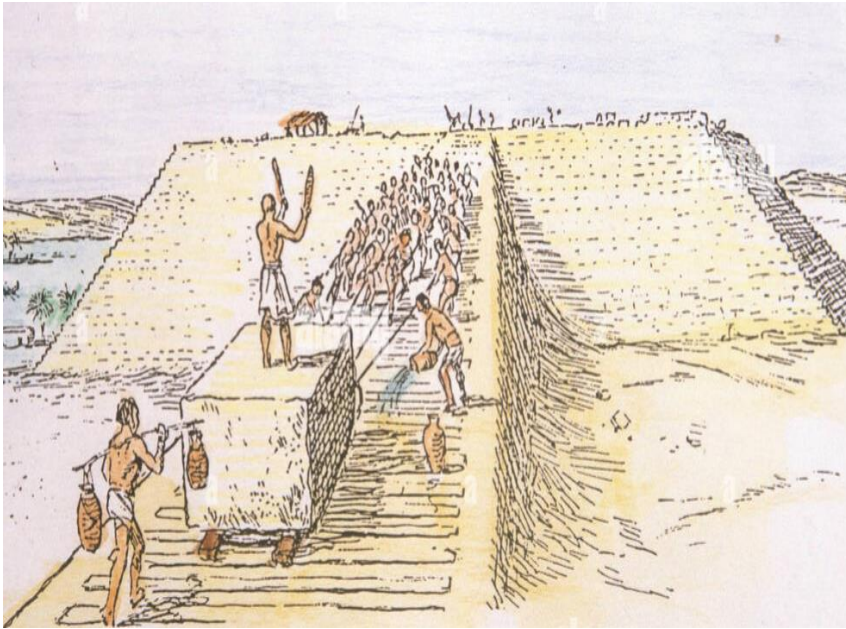
Making progress possible. **Together.**

Introduction

Introduction and Discussion points

- Legislation
- Former modus operandi
- Revised approach
- Successes and Projects
- Revenue Recovery
- Challenges new and old
- Acid test

Building the great Pyramids of Egypt





*Work Smarter
Not Harder*



Legislation



Legislation covered primarily by:

- Constitution of South Africa
- Municipal Systems Act
- Municipal Finance Management Act

Constitution of SA

- 2.1 Constitution Chapter Seven of the Constitution deals with Local Government and embodies the core principles that inform the basis for developmental local government in South Africa. Section 152 of the Constitution sets out the overall objectives of local government. 152. (1) The objects of local government are –
- (a) to provide democratic and **accountable** government for local communities;
- (b) to ensure the **provision of services to communities in a sustainable manner**;
- (c) to promote social and economic development;
- (d) to promote a safe and healthy environment; and
- (e) to encourage the involvement of communities and community organisations in the matter of local government

*How can we claim to be doing this
without giving sound consideration to
protecting our Income or rephrased
REVENUE PROTECTION?*

Municipal Systems Act

- 16.1.2 Municipal manager as head of the administration A municipality's administration is governed by the principles of section 195(1) of the Constitution. Section 6(2) of the of the Systems Act defines these further and instructs the administration, for example, **to take measures to prevent corruption** and to give members of the community full and accurate information about the level and standard of services they are entitled to receive and about the persons in charge of municipal management. The municipal manager must see to the implementation of these principles in his or her administration. As head of the administration, the municipal manager is responsible for the **formation and development of an economical, effective, efficient and accountable administration**, which is equipped to implement the IDP, operates within the municipality's performance management system,
.....

*How can this be done without
giving sound consideration to
protecting our Income or rephrased
REVENUE PROTECTION?*

Municipal Systems Act

- Schedule 2 attached to the MSA and dealing with General Conduct
- Says that every **official** needs to
- d. act in the **best interest** of the municipality and in such a way that the **credibility and integrity** of the municipality are not compromised

*How can we claim to be doing this
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Municipal Finance Management Act of 2003

- The key objective of the Municipal Finance Management Act (2003) (MFMA) is to modernise municipal financial management in South Africa so as to lay **a sound financial base for the sustainable delivery of services.**

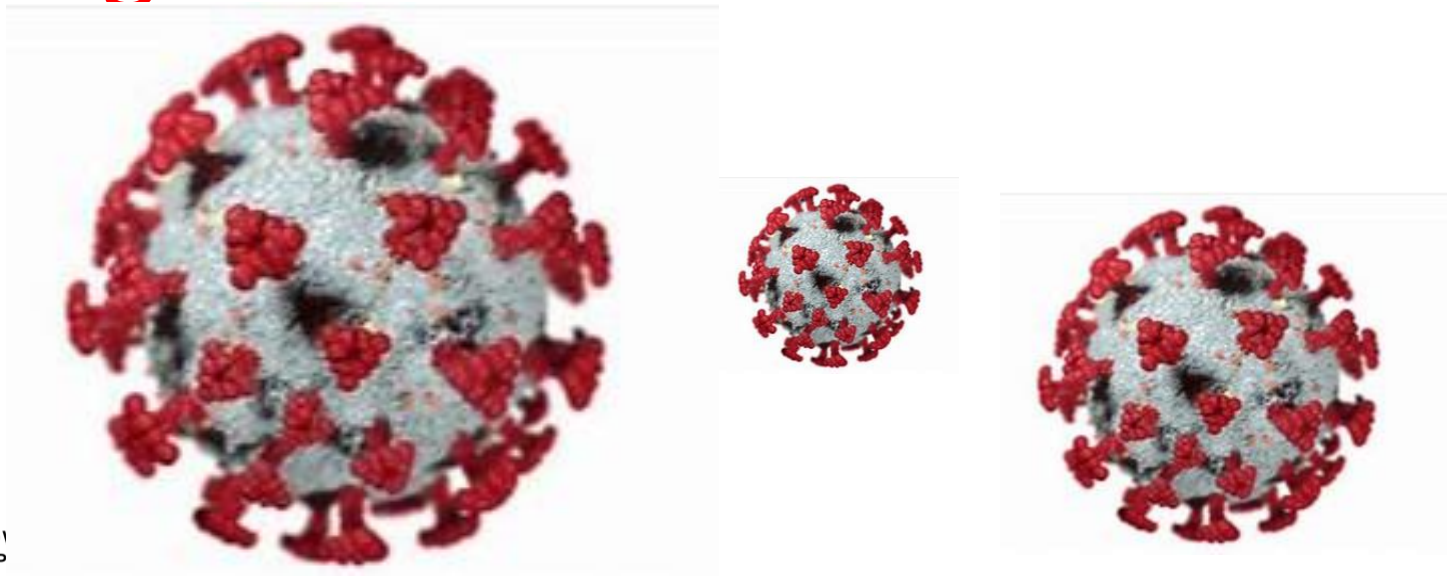
*How can this be done without giving
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Former modus operandi

Reactive old way of doing things

- Previously 10's of thousands of jobs requiring investigation
- Investigation triggered by a hunch
- No proper analysis of data
- Soft targets
- Unmanageable volumes
- No time limits applied to clearing notifications
- Little to no back office investigation
- Subjective approach
- Manager driven

Then came COVID and National regulations forced minimal social interaction. Working from home as far as possible and restrictions which we thought would halt all RP actions.



Revised approach

New regulations which have been largely reduced now

- Staff restricted from entering homes
- When entering a strict protocol needed to be followed:
- Strict employee Covid screening
- Screening questionnaire for customers
- Sanitising
- Minimal interaction
- Some suspected Covid cases but no IOD
- WSWP adapted to enable operations

New operations

- Only “No Power” visited without appointment
- All other RP visits were by appointment
- Thorough back office investigation
- Admin and supervisory staff work from home
- Tech teams direct to site
- Increase in productivity

Early results and quick fixes

- Project based cleared backlog and eliminate dups created by former process
- Thorough back office analysis of data
- Appointment made
- More customers at home
- Hit rate increase
- Use of other sections FLR staff, trained in evidence collection
- Started using contractors for field work to increase numbers

Early changes to ops while using newly contracted teams

- Technological advances Mobi's
- Photos before during and after
- Feedback
- Better control 60 days tech investigation 30 days Rev Rec (admin)
- SEA final check before payment
- Daily stats
- Target setting
- Manageable 2000 notificationswas 20k
- Higher hit rate
- One visit

Staff adaptation

- Staff adoption of new methodology
- Taking responsibility for work
- Staff ownership accountability
- Revitalisation of moral
- Better turnaround time
- Work away backlogs
- Close the timeframe between investigation and Rev Recovery

Some early spin-offs

- Faced the music
- Irrate customers
- Bulk of queries
- Challenges to SOP
- Legal compliance

Successes and Projects

Staff by-in to Project driven operations

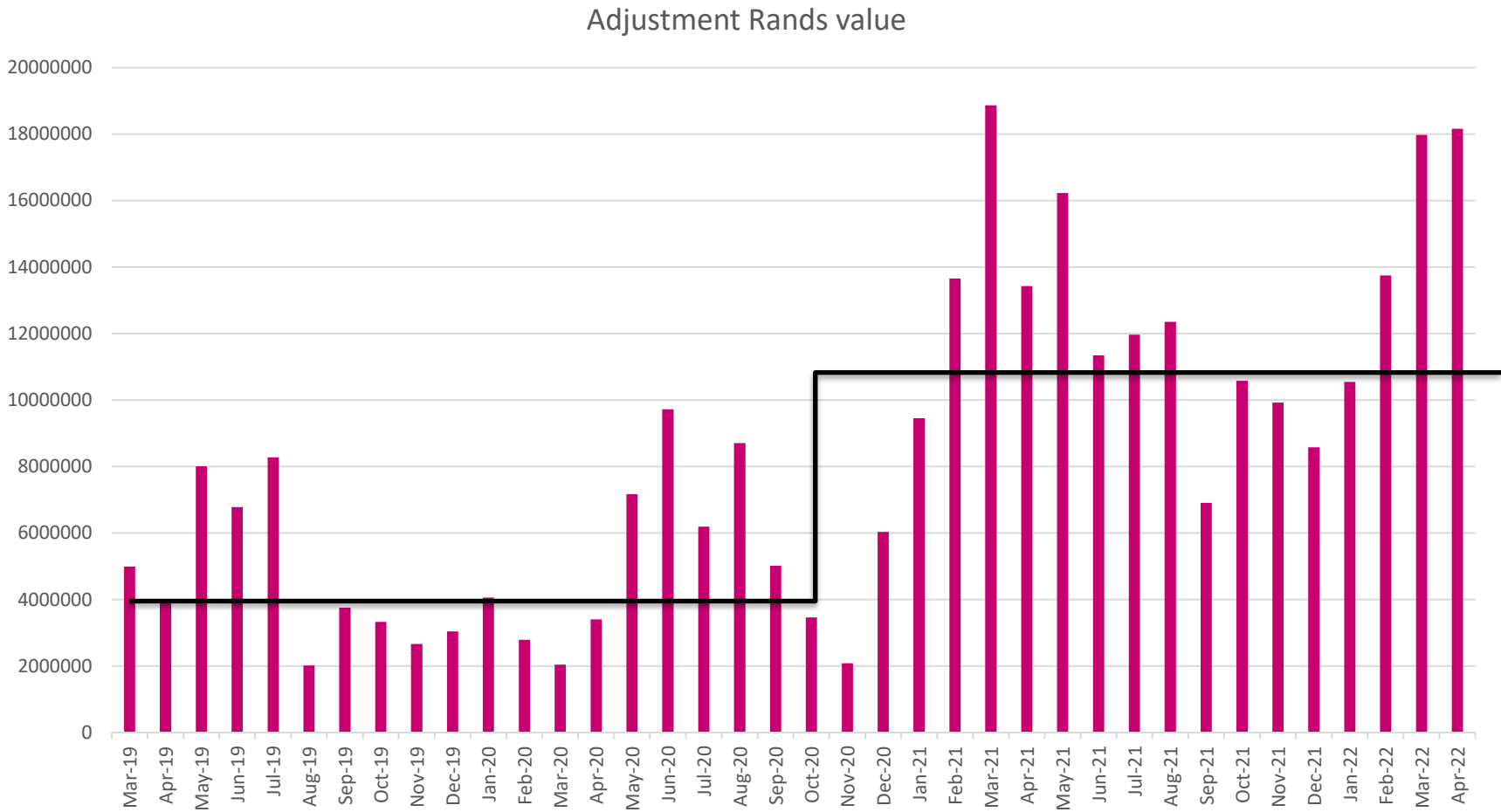
- Staff took responsibility and ownership
 - Top debtors
 - Top Elect debtors
 - Housing Rental Stock
 - TID
 - Low purchase ppm
 - Zero readings Cr mtr
 - Dangerous areas Law enforcement

Revenue Recovery

Better synergies and positive results

- Increased Rev Recovery
- Data cleansing resulting from projects
- MRP synergy with other sections single visit

Graph indicating Revenue recovery increase



Challenges new and old

Challenges

- Training
- SOP revision Legal Compliance
- PAJA
- Notice delivery
- Contract management
- By-Law revision
- Dangerous areas
- Staff recruitment and appointment
- Reliance on other sections for data clean-up
- New tampering methods tamper on ISM partial tamper difficult to identify
- Budget

Acid Test

Revenue Recovery can be self funding

- I was never a supporter of contracting RP business out
- Initial bad experiences

Acid test iro contractors

- Current yr 60% hit rate
- R1 million spent on outsourcing realised R2 mill c/n's only
- Plus in addition the adjustment iro lost revenue - Tamper full duration Defective 3yrs

RP can amount to big money:

For every R1 billion EL sales @4.5% NTL's = R40million? Who can allow that to go unchecked ?



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Thank You!

**Electricity Generation and Distribution
Electricity Retail Management
Revenue Protection**

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Making progress possible. **Together.**